

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114-5801

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From: **1/2002** To: **12/2002**
2. DOGM File Number (Mine No.): **M/035/015**
3. Mine Name: **North Impoundment / Salt Air / Tailings**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals.**
5. Type of mine: **X** Surface Mine or Underground Mine
6. Legal Description, (Location of Lands Affected):

***T1N, R2W, Sec. 31 S1/2 S1/2 & Sec. 32 S1/2 SW1/4;
T1N, R3W, Sec. 35 S1/2 S1/2 & Sec. 36 S1/2 S1/2;
T1S, R2W, Sec. 4 SW1/4 SW1/4 SW1/4, Sec. 5, Sec. 6, Sec. 7 N1/2
N1/2, Sec. 8 N1/2 N1/2, Sec. 8 eastern border, Sec. 9 W1/2 W1/2,
& Sec. 17 E1/2;
T1S, R3W, Sec. 1, Sec. 2, Sec. 3 E1/2, Sec. 10, Sec. 11 N1/2 and SW1/4,
Sec. 12 N1/2 NE1/4 and Sec. 15 N1/2***

Salt Lake Base Meridian, Salt Lake County, Utah

7. Name of Operator or Company: ***Kennecott Utah Copper Corporation***
8. Permanent Street Address: ***P. O. Box 6001***
8315 West 3595 South
City, State, Zip: ***Magna, UT 84044***
Phone: ***(801) 569-7596/7120***
Fax: ***(801) 569-6408***
9. Company Representative (or designated operator):
Name: ***Paula Doughty***
Title: ***Manager, Environmental Affairs and Strategic Resources***
Business Address: ***P. O. Box 6001***
City, State, Zip: ***Magna, UT 84044***
Phone: ***(801) 569-7596/7120***
Fax: ***(801) 569-6408***

X Please check if any of the above information has changed since previous year.

II. **Mining and Reclamation**

1. Was the mine active during the past year? Yes **X** No
2. In no - when was the last year of activity? ***N/A***
3. If yes - how much ore or mineral was mined?
48.9 million short tons
4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
The new north tailings impoundment perimeter dike and related facilities are completed and it is receiving tailings material. All operations are inside the area initially disturbed by construction.
5. How much additional acreage was disturbed during the past year?
No additional acreage was disturbed during 2002.
6. How much acreage was reclaimed during the past year.
No acreage was reclaimed during 2002.

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

No acreage was reclaimed during 2002. Temporary seeding was practiced as a dust control measure on inactive areas.

8. What is the total disturbed acreage of the entire project at years end?

A total of 3556 acres were reported disturbed through 2002.

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Temporary seeding will continue in 2003 as necessary for dust control.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

The facility Map submitted with the 2001 annual report is still current.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

N/A

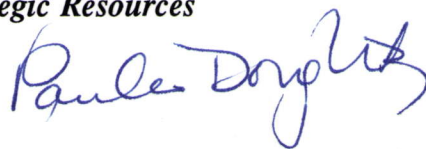
IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name: *Paula Doughty*

Title of Operator: *Manager, Environmental Affairs and Strategic Resources*

Signature of Operator:



Date:

1/30/03

M
Kennecott Utah Copper Corporation
12000 West 2100 South
P.O. Box 6001
Magna, Utah 84044-6001
Tel: (801) 569-7120 (Barney's)
Fax: (801) 569-7192 (Barney's)
Tel: (801) 569-7596 (Smelter EMC)
Fax: (801) 569-6408 (Smelter EMC)

Paula H. Doughty
Manager, Environmental Affairs and
Strategic Resources

M/035/015
3/6/03
[Signature]
Kennecott

January 31, 2003

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Annual Reports for 2002, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

As in last year's reports, all disturbed and reclaimed acreage on the existing tailings impoundment is reported under permit number M/035/002.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC in the Oquirrh Mountains outside of the DOGM jurisdictional boundaries:

Garfield Waste Water Treatment Plant: Plant demolition complete and 2 acres, contoured and seeded.

RECEIVED

JAN 31 2003

DIV. OF OIL, GAS & MINING

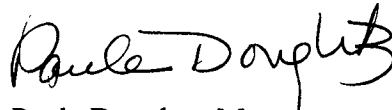
January 31, 2003

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In 2002 KUCC spent more than \$3,162,000 dollars on reclamation activities within the boundaries of permit #M/035/002. These costs included purchases of seed, fertilizer, surface preparation, seedlings, and planting. They also included maintaining a sprinkler irrigation system for the Magna Tailing impoundment. After correcting for inflation, this equates to more than \$ 1,860,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Jim Kandolin at 569-6208.

Sincerely,

A handwritten signature in cursive script, reading "Paula Doughty".

Paula Doughty, Manager
Environmental Affairs and
Strategic Resources

Enclosures